BY HAND DELIVERY

March 13, 2017

Eric Sheehan, Bureau Director
Bureau of Health Care Safety and Quality
Medical Use of Marijuana Program
Massachusetts Department of Public Health
99 Chauncy Street, 11th Floor
Boston, Massachusetts 02111

RE: DPH Request of Information dated February 2, 2017

Dear Mr. Sheehan:

I write in response to correspondence to Beacon Compassion Center Inc. ("Beacon") from DPH dated February 2, 2017 ("February RFI"). Please accept this letter as responsive to both items identified by DPH in the February RFI.

DPH Request 1. The Department has not received a revised letter from the City Council of New Bedford that includes the required language regarding zoning for the letter of support or non-opposition as outlined in the application instructions. Please resubmit this letter with the required language included when it is available.


DPH Request 2. The opinion letter provided for the New Bedford and Northborough leases does not contain sufficient facts to support its conclusions regarding fair market value. Please review paragraph 3 of the “Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance” and submit additional information in compliance with the Guidance.

Beacon Response No. 2: Attached please find the letter of Windham Hill Property Appraisals LLC dated March 3, 2017 and relative to the fair market value of a ground lease at 86 Lawrence Street in Northborough. As set forth in the letter, authored by Patricia A. Kearney, a certified general appraiser licensed in Massachusetts, the rate of $10,000 per acre that Beacon contemplates paying to secure the Lawrence Street is “in line and reasonable” under the circumstances.
Attached please find four MLS real estate comparables for the New Bedford market. These comparables demonstrate a range of commercial lease rates from $2,000 to $2,470 per month for retail use. Please note that none of these comparables indicate RMD use, which would typically cause a landlord to demand a premium above any non-RMD use.

I have also attached an appraisal report prepared by Windham Real Property Appraisals LLC dated February 27, 2017. As set forth in that appraisal, Ms. Kearney reviewed the market for commercial real estate in the New Bedford area. Ms. Kearney found that in accordance with the uniform standards of professional appraisal practice, the fair market value of the subject property at 366 Hathaway Road in New Bedford is $17 per square foot on a triple-net rent basis.

As set forth in the lease and other real estate documents associated with Beacon’s occupancy of 366 Hathaway Road, Beacon has agreed to pay a rental amount equal to $2,500 per month for 1,788 square feet on first floor retail space, or $16.77 per square foot. This amount is consistent with rental rates paid for similar space within the market.

Please note that Beacon is mindful of the one-year rule under which Beacon must receive a provisional certificate within one year of DPH’s invitation to submit a Siting Profile. The one-year rule deadline for Beacon runs on April 6, 2017. Thus, please accept this letter as a formal request that DPH allow Beacon to respond to any further RFIs on a post-provisional basis.

Please feel free to contact me should you have any questions.

Very truly yours,

Catherine Cametti, President

encls.
February 22, 2017

Catherine Cametti, President/CEO
Beacon Compassion Center
900 Washington Street, Suite A
Norwood, MA 02062

Dear Ms. Cametti,

I do hereby confirm the City of New Bedford’s support for Beacon Compassion Center, Inc. to operate a Registered Marijuana Dispensary ("RMD") in New Bedford at 366 Hathaway Road.

I have verified with the appropriate local officials that the proposed RMD facility at 366 Hathaway Road is located in a zoning district that allows such use by right or pursuant to local permitting.

Sincerely,

[Signature]

Jon Mitchell
Mayor